

SUBJECT: Rural Cooperative Development Grant Program

TO: State Directors, Rural Development

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to clarify the role of the Rural Development State Offices in managing certain aspects of the Rural Cooperative Development Grant (RCDG) Program in accordance with RD Instruction 4284-F.

COMPARISON WITH PREVIOUS AN:

No previous AN has been issued on this subject.

IMPLEMENTATION RESPONSIBILITIES:

The Management Control Review (MCR) conducted on the RCDG Program in fiscal year (FY) 2000 identified several areas of weakness regarding the management responsibilities of State Offices in administering the program. Specific weaknesses included (1) inconsistencies in the processing of preapplications before forwarding them to the National Office for scoring, (2) inconsistent monitoring and reporting on the performance of the Cooperative Development Centers receiving grants, and (3) failure to collect and maintain racial and national origin data. The MCR also identified areas of confusion regarding what the State Office role is versus the National Office in the administration of the program.

General information for carrying out these responsibilities is contained in RD Instruction 4284-F; however, it is felt to be in the best interest of the program to provide the following additional guidance to State Offices in clarifying their role and responsibilities.

1. A preapplication processing checklist (Attachment 1) has been developed for State Office use in reviewing preapplications before they are submitted to the National Office. A copy of the completed checklist must accompany the pre-application package when it is forwarded to the National Office.

EXPIRATION DATE:
April, 2002

FILING INSTRUCTIONS:
RD Instruction 4284-F

2. To assist State Offices and the Cooperative Development Centers in providing timely and meaningful reports on Center activities, a reporting guide has been developed (Attachment 2) for use by the grantees. In accordance with RD Instruction 4284-F, grantees are required to submit quarterly activity reports to State Offices. In turn, State Offices will forward a copy of the quarterly reports to the National Office, Attention: Rural Business-Cooperative Service, Deputy Administrator for Cooperative Services.
3. Instructions on conducting Civil Rights compliance reviews will be included in FY 2001 training programs for State Cooperative Specialists and other State Office staff involved in the RCDG servicing process.

If you have any questions, please contact James E. Haskell, Assistant Deputy Administrator, Cooperative Services, (202) 720-8460.

(Signed by William F. Hagy III)

WILLIAM F. HAGY III
Acting Administrator
Rural Business-Cooperative Service

Attachments

**STATE RURAL DEVELOPMENT CHECKLIST FOR PROCESSING
PREAPPLICATIONS RECEIVED UNDER THE RURAL COOPERATIVE
DEVELOPMENT GRANT (RCDG) PROGRAM FOR FY 2001**

PREAPPLICATION PROCESSING CRITERIA			
Name of Applicant:			
State Office:			
	Included	Not Included	Not Applicable
PROPOSAL REQUIREMENTS			
Clear statement of the project goals and objectives			
(A) Table of Contents			
(B) Project summary – 250 words or less including:			
Title of project			
Names of primary project contacts			
Name of applicant organization			
Summary that includes:			
Description of overall goals			
Relevance of project			
List of all organizations involved in project			
(C) Separate one-page information sheet listing each of the eight evaluation criteria followed by page numbers of all relevant material and documentation contained in the preapplication which supports that criteria. This page should immediately follow the project summary.			
(D) An additional requirement for those applicants who received funding under the RCDG program in fiscal years 1999-2000 is a summation, not to exceed three pages, of progress and results for all projects fully or partially funded in those years.			
PREAPPLICATION REQUIREMENTS			
(a) Preapplications.			
(1) Applicants will file an original and one copy of an “Application for Federal Assistance (For Non-construction),” with the appropriate Rural Development State Office.			
(2) All preapplications shall be accompanied by:			

(i) evidence of applicants legal existence and authority to perform the proposed activities under the grant.			
(ii) The latest financial information to show the applicant's financial capacity to carry out the project. At a minimum, the information should include a balance sheet and income statement. A current audited report is preferred where one is easily obtainable.			
(iii) An estimated breakdown of total costs, including costs to be funded by the applicant or other identified sources. Certification must be provided from the applicant that its matching share to the project is available and will be used for the project. The matching share must meet the requirements of parts 3015 and 3019 of this title as applicable. Certifications from an authorized representative of each source of funds must be provided indicating that funds are available and will be used for the proposed project.			
(iv) A budget and description of the accounting system to be used.			
(v) The area to be served, identifying within that area each governmental unit (i.e., town, country, etc.) affected by the proposed project. Evidence of support and concurrence from each affected governmental unit must be provided by either a resolution or a written statement from the chief elected local official.			
(vi) A listing of cooperative businesses to be assisted or created.			
(vii) Applicant's experience of similar key projects, including experience of key staff and persons who will be providing the proposed services and managing the project.			
(viii) The number of months duration of the project and the estimated time it will take from grant approval to beginning of service.			
(ix) The method and rationale used to select the areas or businesses that will receive the service.			
(x) A brief description of how the work will be performed and whether organizational staff, consultants or contractors will be used.			

(xi) An evaluation method to be used by the applicant to determine if objectives of the proposed activity are being accomplished.			
(xii) A brief plan that contains the following provisions and describes how the applicant will meet these provisions:			
(A) A provision that substantiates how the applicant will effectively serve rural areas in the United States.			
(B) A provision that the primary objective of the applicant will be to improve the economic condition of rural areas by promoting development of new cooperatives or improvement of existing cooperatives.			
(C) Supporting data from established official independent sources along with any explanatory documentation.			
(D) A description of the activities that the applicant will carry out to accomplish such objective.			
(E) A description of the proposed activities to be funded.			
(F) A description of the contributions that the applicant's proposed activities are likely to make to the improvement of the economic conditions of the rural areas served by the applicant.			
(G) Provisions that the applicant, in carrying out its activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the federal, state, and local governments.			
(H) Provisions that the applicant will consult with any college or university administering Extension Service programs and cooperate with such colleges or university in the coordination of the center's activities and programs.			
(I) Provisions that the applicant will take all practicable steps to develop continuing sources of financial support for the center, particularly from sources in the private sector.			
(J) Provisions for:			
(1) Monitoring and evaluating its activities; and			
(2) Accounting for money received and expended by the applicant.			

(K) Provisions that the applicant will provide for the optimal application of cooperative development in rural areas, especially those areas adversely affected by economic conditions, such that local economic conditions can be improved through cooperative development.			
(xiii) The agreement proposed to be used between the applicant and the ultimate recipients, if grant funds are to be used for the purpose of making loans or grants to individuals, cooperatives, small businesses, and other similar entities (ultimate recipients) in rural areas for the eligible purposes under this subpart. This agreement should include the following:			
(A) An assurance that the responsibilities of the grantee, as a recipient of grant funds, are passed on to the ultimate recipient and the ultimate recipient understands its responsibilities to comply with the requirements contained in 4284-F, 1901-E and parts 3015 and 3019 of this title, as applicable.			
(B) Provisions that the ultimate recipient will comply with debarment and suspension requirements contained in part 3017 of this title and will execute a “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions.”			
(C) Provisions that the ultimate recipient will execute an Form RD 400-1 “Equal Opportunity Agreement,” and an Form RD 400-4 “Assurance Agreement.”			
(D) Documentation that the ultimate recipient understands its responsibilities to the applicant.			
(E) Documentation that the applicant understands its responsibilities in monitoring the ultimate recipient’s activities under the grant and the applicant’s plan for such monitoring.			
(F) Documentation, when other references or sources of information are used, along with copies, if possible, that provides dates, addresses, page numbers and explanations of how interpretations are made to substantiate that such things as economically distressed conditions do exist.			
(G) Narrative addressing all items in 4284.540(a) regarding grant selection criteria.			

(b) Applications. Upon notification that the applicant has been selected for funding, the following will be submitted to Rural Development by the applicant:			
(1) Proposed scope of work, detailing the proposed activities to be accomplished and timeframes for completion of each activity.			
(2) Other information requested by RBS to make a grant award determination.			
(c) Applicant Response. If the applicant fails to submit the application and related material by the date shown on the invitation for applications, Rural Development may discontinue consideration of the preapplication.			

**FY 2001 QUARTERLY REPORTING FORMAT FOR RURAL COOPERATIVE
DEVELOPMENT GRANT (RCDG) RECIPIENTS**

Center _____

Project Name _____

Quarterly Report for Quarter Ending _____

SUMMARY OF CENTER ACTIVITIES

Technical Assistance Projects Initiated:

Technical Assistance Projects Completed or Terminated:

Technical Assistance Reports Issued:

Surveys Conducted:

Cooperatives Incorporated:

Research Projects Initiated:

Research Projects Completed:

Training Seminars or Activities Conducted:

Other Significant Activities:

Minority Activities This Quarter:

PROJECT _____

Activity This Quarter:

Established objectives for this quarter:	Met	Not Met
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_____	_____	_____
_____	_____	_____

Other Significant work accomplished for the project this quarter:

Work accomplished by Center Staff _____ %

Work accomplished through contracted service:

Contractor Name _____ %

Reason(s) why established objectives (if any) not met:

Any problems, delays, or adverse conditions that will affect attainment of overall project objectives during established time period:

Activity Next Quarter:

Established Objectives for next quarter:

Planned actions to meet unmet objectives from this quarter:

OUTREACH ACTIVITIES

(Includes tasks to support the Center's programs and activities that do not require the formal establishment of a project and is not of a "hands-on" technical assistance nature. Examples of program support activities include but are not limited to consulting on projects of others, maintaining resource material, program planning, serving on industry committees, participating in professional training programs, and attending industry or other non-project related meetings. Also, responding to requests for information and data, giving speeches and presentations, conducting preliminary or exploratory analysis, providing instruction/teaching and non-Center document review.)